

## Message Text

LIMITED OFFICIAL USE

PAGE 01 LISBON 03065 101159Z

42

ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 SAM-01 CIAE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

TRSE-00 OMB-01 COME-00 DOTE-00 EB-07 FMC-01 SAL-01

CG-00 DLOS-04 OES-06 AF-08 OPIC-03 AID-05 STR-04 /113 W

----- 043380

R 101050Z MAY 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 7049

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

USMISSION GENEVA

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY OSLO

AMEMBASSY PARIS

USMISSION OECD PARIS

AMCONSUL PONTA DELGADA

AMEMBASSY STOCKHOLM

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

CINCLANT NORFOLK VA

LIMITED OFFICIAL USE LISBON 3065

E.O. 11652: N/A

TAGS: EWWT, ETRD, PFOR, PO

SUBJECT: PROPOSED LAW TO PROTECT PORTUGUESE MERCHANT FLEET

SUMMARY: PORTUGUESE SECRETARY OF STATE FOR MERCHANT SHIPPING

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LISBON 03065 101159Z

HAS PREPARED DRAFT LAW RESERVING CARGO FOR PORTUGUESE

SHIPS AND REQUIRING PRIORITY SERVICE FOR NATIONAL VESSELS  
IN PORTUGUESE PORTS. PRIVATE SHIPPING AGENTS, UP IN ARMS  
AT PROSPECT OF BEING DRIVEN OUT OF BUSINESS, DESCRIBE PROPOSAL  
AS STEP BY JOINT PORTUGUESE-SOVIET SHIPPING AGENCY TO  
DOMINATE PORTUGUESE SHIPPING. END SUMMARY.

1. MERCHANT MARINE SECRETARIAT HAS PREPARED DRAFT LAW  
OSTENSIBLY DESIGNED TO "SUPPORT AND PROTECT" PORTUGUESE  
MERCHANT FLEET. SECRETARIAT SENT COPY TO ASSOCIATION OF  
SHIPPING AGENTS FOR THEIR COMMENTS; AGENTS IN TURN HAVE  
PROVIDED COPIES TO EMBASSIES OF MAJOR WESTERN COUNTRIES.

2. PRINCIPAL FEATURES OF DRAFT LAW ARE:

A. PRIORITY IN PORTS: RED TAPE WILL BE CUT TO GIVE  
PORTUGUESE SHIPS PRIORITY SERVICE IN PORTUGUESE PORTS.

B. CARGO RESERVATION:

(1) WHERE THERE ARE NO BILATERAL TRAFFIC-SHARING  
AGREEMENTS, ALL MARITIME IMPORTS AND EXPORTS OF GOP OWNED  
OR INTERVENED ENTITIES EXCEEDING TEN TONS MUST BE CARRIED  
ON PORTUGUESE SHIPS. IF BILATERAL AGREEMENT EXISTS WITH  
COUNTRY INVOLVED IN TRADE, AT LEAST 40 PERCENT--OR "IF  
POSSIBLE" 50 PERCENT--OF CARGO SHOULD BE RESERVED FOR  
NATIONALIZED PORTUGUESE FLEET.

(2) ALL MARITIME IMPORTS EXCEEDING TEN TONS WHICH  
ARE FINANCED BY BANK CREDITS OR GUARANTEES MUST BE CARRIED  
ON PORTUGUESE SHIPS.

(3) IN ABOVE CASES, FOB TERMS MUST BE OBTAINED  
FOR IMPORTS AND CIF FOR EXPORTS.

(4) FREIGHT RATES WILL NOT EXCEED THOSE SET BY  
LINER CONFERENCES OR CHARGED BY COMPETING COMPANIES.

(5) VESSELS OF OTHER FLAGS MAY BE CHARTERED IF  
DIRECTORATE-GENERAL OF MERCHANT MARINE CERTIFIES THAT  
PORTUGUESE SHIPS NOT AVAILABLE.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LISBON 03065 101159Z

C. INCREASED DOCUMENTATION: ALL SHIPPING DOCUMENTS  
WILL HAVE TO SPECIFY NATIONALITY OF TRANSPORTING SHIP.  
WHEN CONDITIONS OF B.(1) AND (2) ABOVE APPLY, SHIPPER DE-  
SIRING TO USE FOREIGN FLAG CARRIER MUST SUBMIT REQUEST FOR  
EXEMPTION FROM USE OF PORTUGUESE SHIPS 20 DAYS BEFORE SHIP-  
MENT.

D. FINE: FINE FOR TRANSGRESSION OF PARA. B. WOULD BE  
EQUAL TO VALUE OF TARIFF REVENUE LOST BY PORTUGUESE SHIPPING.

3. SHIPPING AGENTS ARE EXTREMELY AGITATED BY THIS PROPOSED  
LAW, WHICH REPORTEDLY WAS PREPARED BY COMMUNIST SUBSECRETARY  
OF MERCHANT MARINE. THEY CONTEND THAT IT IS STEP TOWARD  
AMINTER, AND THUS SOVIET, DOMINATION OF PORTUGUESE SHIPPING.  
AMINTER IS SHIPPING AGENCY OWNED 51 PERCENT BY NATIONALIZED  
PORTUGUESE SHIPPING COMPANIES (COMPANHIA NACIONAL DE NAVEGACAO  
AND COMPANHIA DE TRANSPORTES MARITIMOS) AND 49 PERCENT BY  
SOVIET COMPANY SOVINFLOT. PRIVATE SHIPPING AGENTS ASSERT  
THAT AMINTER, BECAUSE OF PORTUGUESE MERCHANT FLEET'S DEFICIEN-  
CIES AND SOVIET PRICE-CUTTING, WILL BE ABLE TO SLOOT MAJOR  
PART OF PORTUGAL'S FOREIGN COMMERCE TO RUSSIAN VESSELS.

4. PRIVATE SHIPPING AGENTS HAVE SENT SECRETARY OF STATE FOR  
MERCHANT MARINE AND OTHER GOVERNMENT OFFICIALS A STRONG CON-  
DEMNATION OF DRAFT LAW. AGENTS HAVE RAISED ISSUE WITH  
SOCIALIST PARTY SECRETARY GENERAL MARIO SOARES AND WITH  
TRANSPORT MINISTER COL. JOSE RODRIQUES, NEITHER OF WHOM  
HAD HEARD OF DRAFT LAW. OTHER EMBASSIES (NOTABLY  
BRITISH, DANES, NORWEGIANS) ARE REQUESTING INSTRUCTIONS  
FROM THEIR GOVERNMENTS.

5. COMMENT: DRAFT LAW'S PROTECTIVE NATURE AND  
POTENTIAL THREAT TO FOREIGN FLAG CARRIERS ARE QUITE CLEAR.  
FIRST, SINCE GOVERNMENT DOMINATES ECONOMY AND LARGE PERCENT  
OF IMPORTS ARE BANK FINANCED, PROPOSED LAW WOULD AFFECT  
MOST OF PORTUGAL'S TRADE WITH COUNTRIES WITH WHICH IT HAS  
NO CARGO SHARING AGREEMENT. SECOND, SOVIET PLOT THEORY  
MAY BE OVERDRAWN, BUT LAW CERTAINLY COULD TEND TO GIVE  
RUSSIAN SHIPPING INTERESTS AN ADVANTAGE. EMBASSY PLANS TO  
RAISE THESE ISSUES WITH FOREIGN MINISTRY AND MINISTRY OF  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 LISBON 03065 101159Z

FOREIGN TRADE. WOULD APPRECIATE ANY COMMENTS DEPT MAY WISH TO  
PROVIDE.  
CARLUCCI

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MARINE TRANSPORTATION, TRADE LAW, CARGO SHIPS, TRADE CONTROLS, PORT CLEARANCES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 MAY 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976LISBON03065  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760179-0992  
**From:** LISBON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760573/aaaackdb.tel  
**Line Count:** 157  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 31 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <31 MAR 2004 by CollinP0>; APPROVED <31 MAR 2004 by morefirh>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PROPOSED LAW TO PROTECT PORTUGUESE MERCHANT FLEET SUMMARY: PORTUGUESE SECRETARY OF STATE FOR MERCHANT SHIPPING  
**TAGS:** EWWT, ETRD, PFOR, PO  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006